

Presentment Date and Time: April 11, 2023 at 12:00 P.M. (Eastern Time)

Objection Deadline: April 10, 2023 at 4:00 P.M. (Eastern Time)

Hearing Date and Time (Only if Objections Filed): To Be Determined

**FOSTER GARVEY P.C.**

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Seattle, WA 98101  
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Dan Youngblut, Esq. (DY-1988)

*Counsel for Shelley S. Hawkins*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re**

**SEARS HOLDINGS CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

Chapter 11

Case No. 18-23538 (SHL)

(Jointly Administered)

**NOTICE OF PROPOSED ORDER GRANTING IN PART AND DENYING IN PART  
THE MOTION OF THE CHUBB COMPANIES FOR ENTRY OF AN ORDER**

**(I) RULING THAT DEFAULT JUDGMENT, SETTLEMENT AGREEMENTS AND  
STATE COURT ORDERS ARE EACH VOID AB INITIO PURSUANT TO 11  
U.S.C. §§ 105(a) AND 362(a) AND WITHOUT EFFECT; AND (II) GRANTING  
RELATED RELIEF**

**PLEASE TAKE NOTICE** that at a hearing held on March 29, 2023, the Court issued a bench ruling (the “Bench Ruling”), granting in part and denying in part, the *Motion of the Chubb Companies for Entry of an Order (I) Ruling that Default Judgment, Settlement Agreements, and*

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E LLC (0204); FBA Holdings Inc. (6537); Innovate Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC (5554); Sears STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816).

*State Court Orders Are Void Ab Initio Pursuant to 11 U.S.C. §§ 105(a) and 362(a) and Without Effect; and (II) Granting Related Relief [D.I. 10661]* (the “Motion”), as and for the reasons set forth in the Bench Ruling.

**PLEASE TAKE FURTHER NOTICE** that attached hereto as Exhibit A is a proposed order (the “Proposed Order”), agreed by counsel for the Chubb Companies (the Motion proponent) and counsel for Shelley S. Hawkins (objector to the Motion), incorporating the Bench Ruling by reference, as is fully set forth therein.

**PLEASE TAKE FURTHER NOTICE** that, unless a written objection to the Proposed Order is served and filed together with proof of service with the Clerk of the court, and a courtesy copy is delivered to the undersigned, to counsel for the Chubb Companies, and to the chambers of the Honorable Sean H. Lane, United States Bankruptcy Judge, so as to be received by **April 10, 2023 at 4:00 P.M. (Eastern Time)**, the Proposed Order will be submitted to the Honorable Sean H. Lane, United States Bankruptcy Judge, for signature on **April 11, 2023 at 12:00 P.M. (Eastern Time)**, and the Proposed Order may be signed and entered by the Court without a Hearing.

**PLEASE TAKE FURTHER NOTICE** that, only if a written objection is timely filed and served with respect to the Proposed Hearing, a hearing will be held on a date to be determined (the “Hearing”) to consider the Proposed Order before the Honorable Sean H. Lane, United States Bankruptcy Judge, at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601-4140.

**PLEASE TAKE FURTHER NOTICE** that objecting parties are required to attend the Hearing and failure to appear may result in relief being granted upon default.

*[Remainder of Page Intentionally Left Blank]*

Dated: March 31, 2023

/s/ Dan Youngblut  
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*Counsel for Shelley S. Hawkins*

**EXHIBIT A**

**PROPOSED ORDER**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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	x
	:
<b>In re</b>	<b>Chapter 11</b>
	:
<b>SEARS HOLDINGS CORPORATION, <i>et al.</i>,</b>	<b>Case No. 18-23538 (SHL)</b>
	:
<b>Debtors.<sup>1</sup></b>	<b>(Jointly Administered)</b>
	:
	<b>Re: ECF No. 10661</b>
	x

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**ORDER GRANTING IN PART AND DENYING IN PART MOTION OF  
THE CHUBB COMPANIES FOR ENTRY OF AN ORDER (I) RULING THAT  
DEFAULT JUDGMENT, SETTLEMENT AGREEMENTS AND STATE COURT  
ORDERS ARE VOID PURSUANT TO 11 U.S.C. §§ 105(a) AND 362(a)  
AND WITHOUT EFFECT; AND (II) GRANTING RELATED RELIEF**

Upon the *Motion of the Chubb Companies for Entry of an Order (I) Ruling that Default Judgment, Settlement Agreements and State Court Orders Are Void Pursuant to 11 U.S.C. §§ 105(a) and 362(a) and Without Effect; and (II) Granting Related Relief* [ECF No. 10661] (the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovate Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR - Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is c/o M-III Partners, LP, 1700 Broadway, 19th Floor, New York, NY 10019.

“Motion”);<sup>2</sup> and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief requested in the Motion having been provided, and it appearing that no other or further notice need be provided in accordance with the *Amended Order Implementing Certain Notice and Case Management Procedures* [ECF No. 405]; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having held a hearing to consider the relief requested in the Motion on November 3, 2022 at 2:00 p.m. (Prevailing Eastern Time) (the “Hearing”); and the Court having rendered a bench ruling on the Motion on March 29, 2023 at 11:00 a.m. (Prevailing Eastern Time) (the “Bench Ruling”); and upon the record of the Hearing, the Bench Ruling, and all of the proceedings had before the Court; and after due deliberation and good and sufficient cause appearing therefor;

**IT IS HEREBY FOUND AND DETERMINED THAT:**

1. The Motion is **GRANTED** in part and **DENIED** in part as and for the reasons set forth in the Bench Ruling, which is incorporated herein by reference, as if fully set forth herein.
2. The Motion is **GRANTED** with respect to the Default Judgment and First Settlement Agreement, which were entered in violation of the automatic stay and the Stay Extension Order, as such applied to the lawsuit proceeding under Case No. 18-2-08408-31 in the Superior Court of the State of Washington for Snohomish County, and are therefore void *ab initio* and without effect pursuant to 11 U.S.C. §§ 105(a) and 362(a).

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<sup>2</sup> Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion.

3. The Motion is **DENIED** with respect to the Second Settlement Agreement, the Settlement Order, and the Confession of Judgment Order.

4. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: \_\_\_\_\_, 2023  
White Plains, New York

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THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE